

DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to dcusa@electralink.co.uk for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

- PART A – Mandatory for all Change Proposals
- PART B – Mandatory for Non Charging Methodologies Proposals
- PART C – Mandatory for Charging Methodologies Proposals
- PART D – Guidance Notes

PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Urgency requested
CP Number	211
Date of submission	Tuesday 20 May 2014
Attachments	None
Originator Details	
Company Name	Reckon LLP
Originator Name	Franck Latrémolière
Category	Other (not a DCUSA party)
Email Address	f20@reckon.co.uk
Phone Number	020 7841 5858
Change Proposal Details	
CP Title	Enhance transparency of DCUSA change management
Impacted parties	All DCUSA parties; non-parties affected by DCUSA developments
Impacted Clause(s)	Clause 5.3 and Schedule 14
Part 1 / Part 2 Matter	Part 1
Provide your rationale why you consider this change is a Part 1 or Part 2 Matter	<p>Significant impact on the interests of electricity consumers. By being better informed, consumers will be better able to protect their interests. This is particularly relevant to consumers seeking a distribution connection, customers subject to the National Terms of Connections, and customers on contracts that pass through distribution charges.</p> <p>Significant impact on competition in generation, distribution and supply. See Part B of this form.</p>
Related Change Proposals	None
Change Proposal Intent	
<p>To increase transparency of the DCUSA change process by providing for all matters, minutes, reports, consultation responses, data and other information (except in the cases covered by clause 57.1 "Confidentiality and the Panel") to be publicly available on request and on the Public Pages of the DCUSA website.</p>	
Business Justification and Market Benefits	

The purpose of the DCUSA has changed. It is no longer merely a contract covering the administration of commercial relationships between licensed industry parties. Instead, it is now the governing vehicle for the National Terms of Connection and for commercially important charging methodologies for connections and for use of system, all of which have significant effects on people who are not licence holders or DCUSA parties.

As a result of this expansion of the scope of the DCUSA, many non-DCUSA parties now require to be involved in, or informed about, DCUSA change processes. These include potential new entrants into the generation, supply or distribution businesses who need to understand the prospective costs and revenues governed by DCUSA, and the future risks associated with DCUSA changes; potential customers and generators seeking new connections where charges are governed by a DCUSA charging methodology; and customers who are on supply contracts where the distribution charges are passed through (a common form of supply contract).

This change proposal updates the transparency obligations under the DCUSA to reflect that new reality.

The most practical way of providing the necessary information to these parties (whose plans to enter the market might reasonably be commercial secrets) is to make the information publicly available. This change proposal would ensure that information is available on request from the DCUSA secretariat and on the Public Pages of the DCUSA website.

This change proposal is limited to the minimum change that is necessary to restore an adequate level of transparency. This change proposal retains the existing confidentiality clause 57.1, and only requires future documents to be placed on the Public Pages of the website. This means that there will be no requirement for the DCUSA secretariat to undertake the potentially labour-intensive task of sifting through historical documents to identify previously protected information that is not covered by clause 57.1.

This change proposal is now urgent because more openness in DCUSA governance is long overdue. This situation has arisen because the DCUSA parties have not sufficiently opened up DCUSA governance to non-party scrutiny following the incorporation within DCUSA of the National Terms of Connection and several charging methodologies. The Ofgem decisions on DCP 124, DCP 158 and DCP 158A suggest that it is important to remedy any shortcomings in the engagement of non-DCUSA parties with DCUSA change management.

Proposed Solution and Draft Legal Text

Amend paragraph 5.3.10 by inserting the text underlined below:

"5.3.10 make an accurate and up-to-date copy of this Agreement, **each Change Proposal, each consultation document, each Change Report, and all the matters, minutes, reports, consultation responses, data and other information except in the cases covered by clause 57.1**, available on the Website in accordance with Schedule 14, and arrange (in return for a charge not exceeding the reasonable cost of so doing) for an accurate and up-to-date copy of this Agreement **or any other document covered by this sub-clause** to be supplied to any person requesting a copy of the same;"

Amend paragraph 3 of Schedule 14 by inserting the text underlined below:

3. This Agreement (excluding the Revenue Protection Code of Practice), a list of the Parties, ~~and~~ a copy of the Change Register, **each Change Proposal, each consultation document, each Change Report, and all the matters, minutes, reports, consultation responses, data and other information except in the cases covered by clause 57.1 or in relation to information created or received on or before 31 May 2014** shall be accessible through the Public Pages. The following

shall only be accessible through the Password Controlled Pages:
(a) the full text of this Agreement (including the Revenue Protection Code of Practice);
(b) minutes of (and papers associated with) the meetings of the Panel, Working Groups and the DCUSA Ltd board of directors **in cases covered by clause 57.1 or in relation to information created or received on or before 31 May 2014**; and
(c) the contact details for Contract Managers and holders of Web Accounts.

Proposed Implementation Date

Duty to supply information under the amended clause 5.3 to take effect immediately upon approval.
Website changes to comply with Schedule 14 to be implemented as soon as reasonably practicable after approval, and in any event within four weeks of approval.

Impact on Other Codes

Please tick the relevant boxes and provide any supporting information.

- BSC
- CUSC
- Grid Code
- MRA
- SEC
- Other
- None

If other please specify

Consideration of Wider Industry Impacts

No relevant impact.

Environmental Impact

No direct impact.

Confidentiality

None

PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Objectives

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
- 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

The purpose of the DCUSA has changed. It is no longer merely a contract covering the administration of commercial relationships between licensed industry parties. Instead, it is now the governing vehicle for the National Terms of Connection and for commercially important charging methodologies for connections and for use of system, all of which have significant effects on people who are not licence holders or DCUSA parties.

As a result of this expansion of the scope of the DCUSA, many non-DCUSA parties now require to be involved in, or informed about, DCUSA change processes. These include potential new entrants into the generation, supply or distribution businesses who need to understand the prospective costs and revenues governed by DCUSA, and the future risks associated with DCUSA changes; potential customers and generators seeking new connections where charges are governed by a DCUSA charging methodology; and customers who are on supply contracts where the distribution charges are passed through (a common form of supply contract). The most practical way of providing the necessary information to these parties (whose plans to enter the market might reasonably be commercial secrets) is to make the information publicly available.

This change proposal facilitates effective competition in the generation and supply of electricity and promotes effective competition in the sale, distribution and purchase of electricity in two ways:

- (a) It makes information about DCUSA-governed charges, revenue opportunities and associated risks available to potential new entrants, so that they are better able to identify opportunities to compete.
- (b) It makes information about DCUSA-governed charges, revenue opportunities and associated risks available to customers and potential customers, so that they can take better advantage of competition by being better informed about the operation of the industry.

PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS

DCUSA Charging Objectives

Please tick the relevant boxes. [See Guidance Note 11]

Charging Objectives:

- 1 that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence
- 2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
- 3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
- 4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
- 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

General Objectives:

- 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity
- 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- 4 The promotion of efficiency in the implementation and administration of this Agreement
- 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Detailed rationale for better facilitation of the DCUSA Objectives identified above

[See Guidance Note 10]

Charging Objectives:

General Objectives:

Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation

There had been discussion of the issue underlying this change proposal at the Distribution Charging Methodologies Forum (DCMF) over the years.

For example, quoting from the minutes of the DCMF meeting of 4 April 2013:

"4.5 Attendees had a detailed discussion on the positive and negative aspects of the DCUSA website.

The following areas were discussed:

- Attendees discussed the pages on the DCUSA website that are public and those that are not. It

was requested that the Change Report be published on the public section of the DCUSA website whilst the Change Proposal is awaiting the authority decision from Ofgem.

- It was pointed out that there are a lot of changes being progressed in the industry and the DCUSA CP title does not always make it obvious if the CP is one that it would be beneficial to follow. Attendees asked for the Change Proposal to be published on the public section of the DCUSA website rather than simply stating the name of the Change Proposal.
- [...]
- The attendees noted that they were unaware of anyone who was refused access to the DCUSA website and queried why a password is required for the site. Attendees requested an open website.
- [...]
- One attendee noted that having been a chair of a CP, it became apparent that DCUSA Working Groups are not communicating with enough people who are interested parties. [...]"

Another inconclusive discussion of the issue took place at the DCMF meeting on 3 April 2014.

Yet no DCUSA party has sought to address the issue through a change proposal, and Ofgem has not used its own website to plug the information gap.

Ofgem has occasionally raised this issue. For example, quoting from Ofgem’s decision on DCP 170 (December 2013):

“We also welcome that a review is currently underway in respect of the DCUSA website and the way in which modification-related information is made available to interested parties. We consider that open access to key modification information – such as modification proposals, consultations and reports – should be openly available to all interested parties (including non-DCUSA parties) in order that they can engage with the change processes. This is relevant in terms of consistency with CACoP principle 3 – ‘Information will be promptly and publicly available to users’.”

Ofgem had earlier implicitly highlighted the need for more openness by including in its published decision documents links to DCUSA website pages that were not in fact publicly available. See for example the footnotes in the Ofgem decisions on DCP 087 or DCP 094 (back in 2011).

The proposer has raised this issue at Ofgem’s distribution exempt forum on 16 May 2014.

PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. www.dcusa.co.uk

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.

<p>4</p>	<p>Proposed Solution and Draft Legal Text</p>	<p>Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions.</p> <p>The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).</p> <p>Insert proposed legal drafting (change marked against any existing DCUSA drafting) which enacts the intent of the solution. The legal text will be reviewed by the Working Group (if convened) and is likely to be subject to legal review as part of its progress through the DCUSA change process.</p>
<p>5</p>	<p>Proposed Implementation Date</p>	<p>The Change can be implemented in February, June, and November of each year or as an extraordinary release. For Charging Methodology CPs, select an implementation date which takes in to consideration the deadlines for publishing indicative tariffs.</p> <ul style="list-style-type: none"> • Submission of Company indicative tariffs is 31 December of each year. • Final tariffs are published on 1 April of each year. <p>Please select an implementation date that provides sufficient time for the change to be incorporated into the appropriate charging model and the DCUSA in order to be reflected within the December indicative tariffs.</p> <p>Contact the DCUSA helpdesk for any further information on the releases dcusa@electralink.co.uk.</p>
<p>6</p>	<p>Consideration of Wider Industry Impacts</p>	<p>Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.</p>
<p>7</p>	<p>Environmental Impact</p>	<p>Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see Ofgem Guidance.</p>
<p>8</p>	<p>Confidentiality</p>	<p>Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem.</p>
<p>9</p>	<p>DCUSA General Objectives</p>	<p>Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.</p>
<p>10</p>	<p>Detailed Rationale for DCUSA Objectives</p>	<p>Provide detailed supporting reasons and information (including any initial analysis that supports your views) to</p>

		demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
11	DCUSA Charging Objectives	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.